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James D. Gruff, Dairy, Livestock and Poultry Division,
Foreign Agricultural Service, USDA

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International trade in poultry products will expand again in 1982. Rising demand around the world, together with the ability and willingness of major exporters to provide increased supplies, should mean that many countries will export or import record levels of poultry products next year. Once again poultry meat, mostly broilers, will dominate international poultry trade. Increasing trade in eggs, especially table eggs, is also expected.

Poultry Meat

Worldwide production of poultry meat in 1982 is forecast to increase about 2 percent over 1981 output, but with domestic consumption in many of the leading exporting countries likely to increase significantly less than production, export availabilities are expected to rise. In addition, demand in the major importing countries will continue to grow, so that there should be opportunities for unprecedented levels of international trade in poultry meat, especially chicken, next year.

The United States will be the world's leading single-country exporter of poultry meat again in 1982, possibly exporting between 440,000 and 470,000 tons, an increase of roughly 10-15 percent above the 1981 figure. The major U.S. markets are expected to be the Middle East, the Far East and the Caribbean. However, as in the past, U.S. poultry meat exports will probably be more widely distributed among destinations than those of its major competitors. U.S. domestic production and prices, especially of broilers, will be important in determining the level of U.S. poultry meat exports in 1982. A possibly weaker dollar overseas may provide the United States with an advantage over some of its major competitors next year.

Major Competitors

In 1982, competition among the leading exporters will become even fiercer. As in the past, our major competitor will be the European Community (EC), and among the EC countries, France in particular. Other EC members which will export substantial quantities of poultry to non-EC countries are the Netherlands, West Germany, and Denmark. The other major competitors of the United States for poultry meat export markets in 1982 will continue to be Brazil and Hungary.

The European Community

In 1982, France is expected to solidify its position as the second-leading exporter of poultry meat in the world. As in the past, almost all of the growth in French poultry meat exports will result from

increases in shipments to non-EC countries. Major destinations for French poultry meat exports, most of which are broilers, will continue to be the Middle East, especially Saudi Arabia and North Yemen, and the Soviet Union. The export segment of the French broiler industry, which produces broilers almost exclusively for non-EC destinations, may make a substantial breakthrough into the Iraqi market for the first time in 1982. Furthermore, the recently announced devaluation of the French franc is expected to provide some advantage for French exports. One of the most important variables for French exporters in 1982 may be the extent to which the new Socialist Government continues the elaborate system of government aid to the poultry export industry in the form of regional assistance to Brittany. French poultry meat exports to non-EC countries in 1982 should be between 320,000 and 350,000 tons, an increase of about 15-25 percent over 1981 non-EC exports.

Although the Netherlands has been the second- or third-largest exporter of poultry meat in the world, only a minor percentage of its exports have gone to non-EC countries. In 1982 the Netherlands should continue its emergence as the second-largest EC exporter of poultry meat to non-EC countries. It will do this by continuing to expand its non-EC exports at a faster rate than its shipments to other EC countries. Dutch exports of poultry meat to non-EC countries may reach the 100,000-ton level in 1982, with major markets likely to be the Soviet Union, Iran, and several other Middle East countries. The Dutch may export almost 30 percent of their total poultry meat exports to countries outside the EC, a much higher percentage than in past years.

West Germany is expected to export about 40,000-45,000 tons of poultry meat to non-EC countries in 1982, with its major non-EC markets once again being the Middle East and the Soviet Union. West German poultry producers have recently become more interested in exports as an outlet for surplus production. Denmark will likely continue to export 30,000-35,000 tons of poultry meat to non-EC countries in 1982. Most of these exports will probably go to the Middle East, especially to Kuwait and the United Arab Emirates. In addition, other EC countries will be exporting smaller amounts of poultry meat to non-EC destinations.

There are several factors which will have an important effect on the level of EC poultry meat exports to non-EC countries during 1982. One of these factors will be the amount of the EC export refund, or subsidy, for whole chickens. This subsidy now stands at about 7 cents per pound. Conflicting pressures within the EC concerning the high budget expenditures for export subsidies make it difficult to predict what the EC might do to the level of the chicken export subsidy next year. Another important factor in 1982 will be the effect of the U.K. ban on imports from countries which vaccinate against Newcastle disease. If this ban excludes French and Dutch poultry meat from the U.K. throughout 1982, there will be a definite danger that EC exports, particularly from France and the Netherlands, would be diverted to other markets and thus endanger existing U.S. market shares. In another matter, if the EC were to take action on removing the duty-free status of imports of non-grain feeds, as some in the Community are strongly advocating, EC poultry producers would probably face sharply higher feed costs which would require additional subsidies or some other compensation for EC exporters to remain at the same competitive level.

Brazil

Brazil has clearly emerged as the biggest competitor of the United States, other than France, for poultry meat export markets. The Brazilians have accomplished a meteoric rise in broiler exports from 1975 to the present by exporting predominantly to the Middle East. The pattern is expected to remain the same in 1982. In 1981 Brazil will probably surpass its 1980 exports by over 50 percent and reach about 260,000 tons. The rise in Brazilian poultry meat exports in 1982 is forecast to be more moderate, reaching approximately the 300,000-ton level. The primary Brazilian export markets in 1982 will probably be Saudi Arabia, Iraq, and Kuwait, and possibly will include the Soviet Union.

Several factors will be important in determining the level of Brazilian chicken exports in 1982. One of these will be the ability of the Brazilians to continue exports to the Soviet Union. Brazil first shipped chicken to the Soviets at the end of 1980, and has shipped an estimated 40,000 tons there during 1981. Another factor will be Brazil's share of the huge Iraqi tender for delivery of chicken during 1982. One more consideration for 1982 will be continuation of the export subsidy program of the Brazilian government, which presently takes the form of subsidized financing for companies which process poultry for export. Another important variable could be the ability of Brazilian broiler producers to cope with the constantly escalating feed costs which partially result from the extremely high rate of inflation in Brazil.

Hungary

The other major competitor of the United States for poultry meat markets is Hungary. In 1981 Hungary will probably export about 145,000 tons of poultry meat, and the total for 1982 should be only slightly higher, probably about 150,000 tons. In 1982 the pattern of Hungarian exports should be somewhat different than it has been in previous years, when the Hungarians sent substantial quantities not only to the Soviet Union, but also to the Middle East and Western Europe. Hungary will probably send about 100,000 tons, much higher than traditional levels, of poultry meat to the Soviet Union in 1982, and as a result will have less available for the Middle East than in previous years. The Hungarians are expected to maintain their exports of poultry meat, primarily ducks and geese, to the EC and non-EC Western Europe.

Hungary has not been able to match the tremendous expansion in poultry meat exports shown by the United States, the EC, and Brazil because of limited investment plans, concerns about foreign currency expenditures, and the need to import high-quality feed, especially soybean meal. The anticipated small overall increase in Hungarian poultry meat exports as well as the shift towards the USSR and away from the Middle East probably means that Hungary will be less of a factor in direct export competition with the United States in 1982.

Major Markets

Increasing demand for poultry meat is generally expected in all the importing countries in 1982. Once again the major markets for poultry meat imports will be the Middle East, the Far East, the Soviet Union, the Caribbean, and the EC.

The Middle East

In the Middle East, Saudi Arabia has been, and will remain in 1982, the single largest importer of poultry meat. Saudi Arabian imports of poultry meat next year will likely exceed 250,000 tons, and will probably be supplied by at least 30 countries, with France and Brazil getting by far the biggest shares. However, there may be opportunities for sizable increases in U.S. shipments of poultry meat to Saudi Arabia next year, not only due to rising demand, but also as a result of anticipated lower shipments from Hungary, and the possibility of lower available supplies from France due to French exports to Iraq and Iran.

Saudi imports are expected to increase in 1982 despite furious expansion of Saudi domestic poultry production, which is heavily subsidized by the government. Saudi production, which is almost totally dependent on imported feed, is not expected to reach a level in 1982 which would significantly slow down the demand for imports.

The pattern of Iraqi imports in 1982 will, for the most part, be determined by the awarding of the Iraqi tender which calls for 130,000 tons of chicken to be delivered from January through December of next year. The major suppliers are expected to be France, the United States, and Brazil. Special Iraqi tenders during 1982 may raise the import total above the 130,000-ton level, although an ending of the war with Iran would make this less likely.

Egypt will be the third-largest importer of poultry meat in the Middle East in 1982, probably bringing in about 90,000-100,000 tons. Although the United States is expected to continue as the major supplier, the Egyptian market is likely to become much more competitive in 1982 as Brazil and several EC countries strive for larger market shares.

Several other Middle Eastern countries will import substantial quantities of poultry meat in 1982, particularly North Yemen, the United Arab Emirates, and Kuwait. Most of this import demand will be covered by the EC, Brazil, and the United States. In 1981, Iran has emerged as another substantial importer of poultry meat in the Middle East. This will likely continue in 1982, and most Iranian imports will probably be supplied by the EC countries, particularly France and the Netherlands.

The Soviet Union

Over the last 3 years the Soviet Union has become one of the world's 3 largest importers of poultry meat, and it should remain so in 1982. The continuing stagnation of overall Soviet meat production, despite increases in poultry output, makes it likely that the Soviets will import at least 200,000 tons of poultry meat in 1982, an increase of about 25 percent above the 1980 record level of poultry meat imports. Hungary will be the primary supplier by far, but substantial quantities should also come from several EC countries, particularly France, the Netherlands, and West Germany. Brazil may continue as a significant supplier of the Soviets in 1982. There could be opportunities for the United States to return to the Soviet market next year, especially if large increases in EC and Brazilian exports to the Middle East force the Soviets to look for other suppliers.

The Far East

In 1982 the Far East will continue to be one of the leading areas for poultry meat imports, and Japan will probably be the single largest importer. Increasing Japanese consumer preference for less expensive imported chicken and the likelihood of limited domestic production increases could mean that Japan will import 100,000 tons of poultry meat in 1982, an increase of about 40 percent over the Japanese import level for 1980. The United States will be the dominant supplier of Japan again next year, and the other major suppliers will probably be the People's Republic of China (PRC) and Thailand.

Hong Kong will be another large importer of poultry meat in the Far East in 1982. Increasing consumer demand together with a leveling off of poultry production may result in a poultry meat import total of 75,000-85,000 tons next year. The United States and the PRC should account for all but a relatively small percentage of Hong Kong poultry meat imports in 1982.

Singapore will also import substantial quantities of poultry meat in 1982, perhaps reaching the 25,000-ton level. The United States is expected to be the primary supplier.

Two variables that could affect the pattern of poultry meat trade in the Far East during 1982 would be large increases in exports from the PRC, and possible diversion of EC exports to the Far East due to the U.K. Newcastle ban on poultry imports.

Other Major Markets

The EC should be a substantial importer of poultry meat from outside the EC again in 1982. The largest importer of poultry meat in the world is actually West Germany, but most of its imports come from other EC countries, particularly the Netherlands. In 1982 West Germany is expected to import about 50,000 tons of poultry meat from outside the EC, out of an EC import total of about 65,000-70,000 tons. Most EC imports will come from the United States, Hungary, and other East European countries. The most critical factor affecting EC imports could be a redirecting of French and Dutch exports from the U.K. market to other EC markets, particularly West Germany, as a result of the U.K. Newcastle ban.

The Caribbean area will remain a substantial importer of poultry meat in 1982, probably importing about 80,000-90,000 tons, with the United States again being the dominant supplier. The largest U.S. markets there should be Jamaica and the Leeward-Windward Islands, while France may ship some quantities to Cuba.

Venezuela is expected to be a substantial importer of poultry meat in 1982, and will probably import about 20,000-25,000 tons. Because of Venezuelan familiarity with U.S. poultry products as well as the proximity of the market, the United States should continue to face almost no competition for the poultry meat import market in Venezuela next year.

Canada, which uses an import quota tied to its domestic production of poultry meat, will probably import about 25,000-30,000 tons of poultry meat in 1982, all of it from the United States. The relative levels of U.S. and

Canadian prices will be an important factor. An expected significant increase in Mexican broiler product on may limit poultry meat imports by Mexico next year to about 15,000-17,000 tons, almost all of which should come from the United States.

Turkey Meat

In 1982, as in recent years, there will probably be only 4 countries which export significant quantities of turkey meat. The United States is expected to be the leading exporter, followed by France, the Netherlands, and Israel. However, almost all of the French and Dutch exports will go to other EC countries. U.S. exports will be distributed among numerous countries, although the United States may have problems with its two major markets, Egypt and West Germany, in 1982. U.S. turkey exports to these two countries during 1981 were below the year-earlier levels as of September 1. In addition, the U.K. Newcastle ban on poultry imports, which went into effect on that date, raises the possibility that France and the Netherlands will increase turkey shipments to established U.S. markets, especially West Germany and Egypt, during 1982. Israel will probably export 10,000-12,000 tons of turkey in 1982, a large part of which will go to the EC.

Eggs

The recent boom in international trade in table eggs is likely to continue in 1982. The two leading exporters, disregarding intra-EC trade, will once again be the United States and the Netherlands. The major U.S. markets probably will be Iraq, Hong Kong, the United Arab Emirates, Egypt and Saudi Arabia. For the Netherlands, receiving the EC export subsidy which is currently about 10 cents per dozen eggs, the major non-EC markets will likely be Iran and Algeria. The outcome of the Iraqi tender for one billion table eggs, with delivery beginning in April 1982, will play a large role in determining the pattern of table egg trade next year. In addition, the U.K. Newcastle ban may encourage increased Dutch table egg exports to non-EC countries in 1982, already the trend this year before the ban was imposed.

For egg products, prospects appear favorable for continuing increases in U.S. shipments to Japan in 1982. The Japanese layer flock and egg production are not expected to increase next year, and the United States may continue to increase its share of the Japanese market, as well as the total quantities shipped.